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AUG 11 1953

MEMORANDUM FOR: The Honorable Harold E. Stassen
Director Foreign Operations Administration

SUBJECT : Analysis of Soviet State Budget in terms of
 Gross National Product

The 1953 Soviet State Budget was presented to the Supreme Soviet on 5 August. The total planned expenditure of 530.5 billion rubles represents approximately 64% of the estimated Soviet gross national product of 827 billion rubles for 1953.

The following preliminary analysis may be of use to you (figures are in billion rubles)

| <u>Expenditures</u> | <u>Plan</u> | <u>Percent of Total Expenditures</u> | <u>Percent of Gross National Product</u> |
|----------------------|-------------|--------------------------------------|--|
| National Economy | 192.5 | 36.3 | 23 |
| Social-Cultural | 129.8 | 24.5 | 15 |
| Defense | 110.2 | 20.8 | 13 |
| State Administration | 14.3 | 2.7 | 2 |
| Loan Service | 9.8 | 1.8 | 1 |
| Unexplained Residual | 73.9 | 13.9 | 9 |
| Total | 530.5 | 100.0 | 63 |

Revenues

| | | | |
|-------------------------|-------|-------|----|
| Turnover Tax | 240.4 | 44.2 | 29 |
| Deductions from profits | 80.6 | 14.8 | 11 |
| Direct taxes | 46.1 | 8.5 | 6 |
| State loans | 16.7 | 3.1 | 2 |
| Residual receipts | 159.5 | 29.4 | 22 |
| Total | 543.3 | 100.0 | 64 |

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The figure for unexplained residual rises from 20.5 billion rubles in 1952 to 73.9 billion rubles for 1953, from 6 percent to 14 percent of the total, and may in part represent allocations for defense not included under the Defense heading. The allocation for defense was reduced from 113.8 billion rubles (24 percent) in 1952 to 110.2 billion rubles (21 percent) in 1953, possibly for propaganda purposes.

SIGNED

C. P. CARELL
Lieutenant General, USAF
Acting Director

O/DD/I/JJH/evs

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MEMORANDUM FOR: Genre Cabell

Herewith a memo for your signature
replying to Mr. Stassen's question at the
NSC on 6 August regarding the percentage of
gross national product represented by the
new Soviet State Budget for 1953.

JKH

OCIO /
A DOCE / JKH

10 August 1953
(DATE)